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ENERGY AND COMMERCE COMMITTEE

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April 3, 2002

The Honorable David M. Walker  
Comptroller General  
U.S. General Accounting Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Walker:

I am writing to request that the General Accounting Office (GAO) immediately undertake an investigation of the current status of the U.S.-Russia program to dispose of excess weapons-grade plutonium. As a senior member of the House Energy and Commerce Committee, which has jurisdiction over the management of the Department of Energy (DOE), and Co-chair of the House Bipartisan Task Force on Nonproliferation, I am concerned that management, environmental and budgetary uncertainty plagues DOE's plutonium disposition program. Some concerns have also been raised about the disposition of surplus plutonium via processing into mixed plutonium-uranium oxide (MOX) fuel on nonproliferation grounds, since this would create a commercial market for weapons-grade nuclear materials and blur the long-standing distinction between civilian and military applications of nuclear technology. I am also concerned that the U.S. program for plutonium disposition will have unforeseen and deleterious consequences for the environment, public health, and the proliferation of nuclear weapons.

In September 2000, the United States and Russia agreed to a hybrid or "dual-track" approach for disposing of surplus plutonium. Under that agreement, the United States would dispose of 8.4 metric tons (MT) via immobilization and 25.6 MT as MOX fuel. On January 23, 2002, DOE announced that it has reversed its dual-track policy and presented a substantially altered plan. These changes include the cancellation of the immobilization track, the addition of a large amount of unspecified purification equipment in the MOX Fuel Fabrication Facility in order to process 6.4 MT of plutonium, the decision to build a new waste solidification plant at the Savannah River Site to process and solidify the liquid transuranic (TRU) and uranium waste streams coming to the MOX fuel plant, and the decision to use two additional reactors to burn MOX fuel, in an attempt to increase the disposition rate from 2 MT of plutonium per year to 3.5 MT per year.

Under the original agreement, DOE has estimated that processing 26 MT of plutonium into MOX fuel would cost at least \$4.2 billion. In the new plan, in which a total of 34 MT of plutonium is slated for processing into MOX fuel, DOE has presented a cost of only \$3.8 billion. DOE has failed to explain how processing an additional 30% of plutonium into MOX fuel will cost less money. Additionally, DOE's cost estimates from its January 23, 2002 announcement of its revised plutonium disposition strategy show that immobilization of

plutonium in high-level nuclear waste is \$600 million cheaper as a disposition option than fabricating MOX fuel.

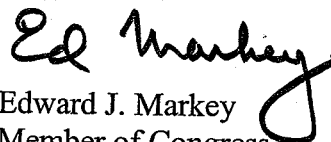
There are also serious doubts as to whether Russia is able to meet its responsibility to keep pace with plutonium disposition in the U.S. Congress has insisted that the disposition plans of the U.S. and Russia remain in parallel so that the U.S. is not reducing its stockpile more rapidly than Russia. Given that the Russian plutonium disposition program is based on the export of the unopened Siemen's AG MOX fuel fabrication plant in Hanau, Germany, the recent announcement that the plant would be dismantled could well set Russia's plutonium disposition efforts even farther behind U.S. plans than before.

In light of the high cost estimate, changing goals, and nonproliferation consequences associated with the DOE decision to burn MOX fuel in civilian nuclear reactors, I request that the GAO undertake a study that includes but is not limited to the following aspects of the plutonium disposition program:

- What is the status of preparation of additional documentation under the National Environmental Policy Act due to the substantial changes announced by DOE in the plutonium disposition program?
- What are the United States' obligations under the original agreement and have the announced program modifications changed these obligations?
- What are Russia's obligations, and what progress has Russia made towards meeting them?
- What is the status and cost of DOE's plans for implementing the U.S. portion of the agreement? How have these been changed by the announced program modifications?
- What are the safety, security, liability, environmental and nonproliferation issues related to the construction of the plutonium disposition infrastructure at the DOE's Savannah River Site and use of MOX fuel in U.S. reactors?
- What is the program's potential impact on the development of a civilian MOX fuel industry in the United States?
- What is the role of the Nuclear Regulatory Commission in licensing a new MOX fuel plant and amending the license of the Duke Power ice-condenser reactors to use MOX fuel?
- From a policy and legal perspective, what is the basis of linkage between disposition programs of the U.S. and Russia and is the U.S. moving away from such linkage towards unilateral plutonium disposition?

Please make an appointment to discuss this request with Dr. Kristen Kulinowski, Dr. Michal Freedhoff and Mr. Jeffrey Duncan of my staff at 202-225-2836. Thank you for your consideration of this important matter.

Sincerely,

  
Edward J. Markey  
Member of Congress